

How Can NRI s Transfer Funds Overseas from India?

NRI s live abroad and earn money abroad but many of them have money in India through passive earning such as rent or through the sale of investments and property. It is possible for them to transfer these funds outside India provided they follow the regulations laid down by RBI.

Repatriation or Outward Remittance

Sending money abroad is known as repatriation or outward remittance.

It can be done through your banking channel only either using online services or via demand drafts or cheques. You cannot use the services of money transfer agents.

NRI s will not have a resident Indian bank account. So their earnings in India will be credited to the NRO account. NRI s who do not have plans to come to India for good in the near future will not have much use of the money lying idle in the NRO account.

To help them use it effectively, the Reserve Bank of India (RBI) allows an amount upto USD 1 million per brought in via an NRE account. It should be noted that proceeds of sale of only two properties can be repatriated.

If the NRI brings in money from abroad to repay the home loan amount taken to buy the property, the bank from which he took the loan will allow him to freely repatriate an equivalent amount to what was brought in the country from abroad.

There can be cases where the NRI has made an investment in India using funds that were brought in India from abroad and then sells it.

The sales proceeds of such investment can be repatriated freely after paying capital gains tax if applicable.

Interest earned and account balance in NRE and FCNR accounts can be freely repatriated abroad.

Rules For Transfer of Money

An NRI has to follow certain rules to transfer his money from India to the foreign country where he is residing

The NRI has to fill up and submit Form 15CA (online application form) and Form 15CB (Chartered Accountant Certificate) to the bank branch to transfer money from India to a foreign country.

Source : CAclubindia

